

PFIAB/NSC Review Completed.

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20 JUN 1956

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Semi-Annual Reports of Intelligence Activities
Requested by the President's Board

REFERENCE : Memorandum from the President's Board to the DCI
dated 18 June 1956, subject "Reports of Intelligence Operations"

1. The referenced memorandum requests the Director to submit to the President's Board a semi-annual report as of 1 May and 1 November on the functions of the Agency and the foreign intelligence activities of the intelligence community. The Director is requested also to report on the work of the IAC and USCIB and of their respective subcommittees. Subjects to be covered in the reports are stated in the memorandum.

2. Conversation with General Cassidy has developed that the Board wants these semi-annual reports submitted on 1 May and 1 November with a cut-off date in each case of 15 March and 15 September. With respect to the report on the IAC and its subcommittees, it is suggested that it be prepared by the IAC Secretary, following the format now used in the IAC's annual report entitled "Status of the Foreign Intelligence Program," as contained in IAC-D-55/9 Final.

3. The report on USCIB and its subcommittees should be prepared by the Executive Secretary of that Board.

4. To meet the requirements of the President's Board for the Agency's report, it is suggested that the DCI appoint a senior officer to act as executive agent to direct the preparation of the several parts of the report and to coordinate and produce the comprehensive report. The SA/PG/DCI would be the most appropriate officer for the task.

5. The outline referred to in the Board's memorandum was suggested by the Inspector General in response to the request of General Cassidy, Staff Director of the Board. A revision of that outline, including suggestions for specific assignment of reporting responsibilities and for information to be included, is attached.

6. It should be noted that the Board requests an annual report, as of 1 May, containing a summation of the costs of the Agency's operations in men and money shown by separate activity and accompanied by comparative figures for the preceding year and an estimate of costs for the next following year. This should be prepared jointly by the Director of Personnel and the Comptroller. General Cassidy has indicated that the first such annual report should be submitted 1 May 1957 with a cut-off date of 15 March.

TS # 15-8432
copy 3 of 3
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Suggested Outline for CIA Semi-Annual Report to the President's Board of Consultants on Foreign Intelligence Activities

1. **Comptroller**

Summary of the budget by major categories and comparison with previous two fiscal years with reasons for increases and decreases.

2. **Director of Personnel**

Personnel summary. Number, location, and category of all personnel being compensated by funds allocated to the Agency. To include staff employees in headquarters, staff employees in domestic field, staff agents in U. S., contract employees in U. S., consultants (overt and covert) in the U. S., staff employees overseas by country, staff agents overseas by country, U. S. contract employees overseas by country, paid agents overseas by country.

3. **Director of Security**

Security summary. Number of applicant investigations. Average time for clearance. Number of employees terminated for security reasons or on whom such action is pending.

4. **AD/NE**

National Estimates. List of NIE's produced, in process, and planned.

5. **AD/SI**

Scientific Intelligence. Analysis of scientific and technological intelligence activities. Should not duplicate information reported by IAC.

6. **AD/RH**

Research and Reports. Statement of progress of research on Soviet and Satellite economy. Should not duplicate information reported by IAC.

7. **DD/P, FI**

Espionage. Review of accomplishments in clandestine collection including statistics of volume reported on various areas. Statement of new activities commenced during reporting period, by what authority, and cost in men and money. Statement of all activities ceased with reasons therefor.

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8. DD/P, CI

Counterespionage. Statement of CE operations in progress and results. Statement of new activities commenced during reporting period, by what authority, and costs in men and money. Statement of all activities ceased and reasons therefor.

9. DD/P, PP

Political and Psychological Warfare and Paramilitary Activities. Analysis of major operations in progress. Statement of new activities commenced during reporting period, by what authority, and costs in men and money. Statement of all activities ceased with reasons therefor.

10. DCI

General Summary. Future plans and recommendations for improvements in the organization, direction and operation of the national intelligence effort.

11. Inspector General

IG reports prepared during reporting period to be appended.

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**THE PRESIDENT'S BOARD OF CONSULTANTS
ON FOREIGN INTELLIGENCE ACTIVITIES**

**Executive Office Building
Washington 25, D. C.**

June 18, 1956

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT : Reports of Intelligence Operations

To assist this Board in the accomplishment of the task assigned to it by Executive Order 10656, 6 February 1956, it is requested that you furnish to it, semi-annually, as of 1 May and 1 November, a report of the performance of your Agency. The Board is particularly desirous of obtaining your views with respect to both the functions of your own Agency and the foreign intelligence activities of the Intelligence Community as to: (1) Existing intelligence deficiencies; (2) the progress that is being made; (3) the quality of training and personnel; (4) the security of intelligence methods and sources; (5) the effectiveness of specific undertakings; (6) the handling of funds, and, (7) the general competence of intelligence elements in carrying out their assigned functions.

It is requested, further, that you assume the responsibility for reporting on the work of the IAC and the USCIB and of their respective subcommittees.

It is requested that these reports be developed in accordance with your own outline and that, insofar as your Agency is concerned, they be supplemented by copies of any pertinent reports of inspection of your operations which might have been conducted during the periods covered by them. With regard to personnel, it would be helpful to the Board to know by number, location and kind, all persons who are being compensated from funds allocated to you. It would be useful also to know the number of those individuals whose employment was terminated for security reasons or on whom such action is pending.

Please report for each period all new activities commenced by your Agency, by what authority and the costs in men and money involved. Similarly, list all activities ceased with the reasons therefor.

Annually, as of 1 May, the Board would like to have from you a summation of the costs of your operations in men and money shown by separate activity. These should be accompanied by comparative figures for the preceding year and an estimate of costs for the next following year.

The Board expects to use your reports, along with those to be received from other agencies, and in conjunction with the findings of the objective reviews which its Members will be making of our foreign intelligence effort, to:

TOP SECRET

TS # 158424 Series A

TOP SECRET

- 2 -

- (1) Inform itself about national intelligence and related security policies and directives for the purpose of appraising their effectiveness and the extent to which they are being fulfilled;
- (2) Inform itself about our intelligence agencies, their use of the means nationally available, together with the quality, cost, usefulness and security of the intelligence information they provide to the President and the NSC, and,
- (3) Seek and recommend to the President ways to increase the effectiveness of our intelligence effort.

It would be especially valuable to the purpose of the Board to learn something of your future plans as well as to receive any recommendations you may have, not only in your reports but any other time, for improvements in the organization, direction or operation of the national intelligence effort, which in your judgment might further the availability of intelligence of the highest order to the Executive Branch of the Government and thereby enhance the security of the United States and the conduct of its foreign affairs.

FOR THE BOARD

/s/ JFC

John F. Cassidy
Staff Director

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THE PRESIDENT'S BOARD OF CONSULTANTS
ON FOREIGN INTELLIGENCE ACTIVITIES
Executive Office Building
Washington 25, D. C.

18 June 1956

MEMORANDUM FOR: The Director of Central Intelligence

SUBJECT : Intelligence Sampling

In order to get some feel for the quantity and quality of intelligence acquired during a stipulated period of time in a specified foreign area this Board, at a recent meeting, decided to sample the origins and flow of certain selected intelligence information. To assist the Board in this project it is requested that you assemble and forward to it by 1 August next, the following information:

(1)

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- (2) A brief description and step-by-step explanation of the processes followed, or yet to be taken, in the screening and use (or rejection) for departmental, intelligence community, or national use, of the material listed. Illustrate by tracing through a specific significant item from the time of the establishment of a requirement for it through its receipt as raw information to its ultimate disposition or use.
- (3) A list and brief summary of all intelligence publications, reports, briefings, meetings, etc., sponsored or contributed to by your Agency in which the material referred to above was, or is, to be used in either its raw or screened form. Please assemble and hold on call samples of all pertinent printed matter.

FOR THE BOARD

/s/ JFC

JOHN F. CASSIDY

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